

Members:

Sen. Patricia Miller, Chair
Sen. Robert Meeks
Sen. Joseph Zakas
Sen. Rose Antich
Sen. Lonnie Randolph
Sen. Vi Simpson
Rep. William Bailey
Rep. Charlie Brown
Rep. William Crawford
Rep. Ralph Ayres
Rep. Vaneta Becker
Rep. David Frizzell



SELECT JOINT COMMITTEE ON MEDICAID OVERSIGHT

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Authority: P.L. 130-1998

MEETING MINUTES

Meeting Date: June 25, 1998
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St., Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. Patricia Miller, Chair; Sen. Robert Meeks; Sen. Joseph Zakas; Sen. Rose Antich; Sen. Lonnie Randolph; Sen. Vi Simpson; Rep. William Bailey; Rep. Charlie Brown; Rep. William Crawford; Rep. Ralph Ayres; Rep. Vaneta Becker; .

Members Absent: Rep. David Frizzell.

Sen. Miller, Chair of the Committee, called the meeting to order at about 10:10 a.m. The minutes of the first meeting were reviewed and approved by consent.

Medicaid Claims Processing Update

Ms. Mary Simpson, EDS

Ms. Mary Simpson, EDS (the state's Medicaid claims processing contractor), provided the Committee with an update of the EDS processing of Medicaid claims. Among the statistics provided¹ were: (1) claims processing statistics, including percent of claims paid, percent denied, and the amount paid; (2) suspended claims statistics, including the number of suspended claims and the percentage of total claims adjudicated; and (3) provider assistance telephone statistics, including the number of calls received, the average hold time, and the average length of call.

Ms. Simpson also provided a report on dental claims². The report included provider participation information, such as the number of enrolled and participating dental providers, as well as a dental claims payment history.

The Committee requested that EDS continue to provide future updates of the dental claims processing statistics, and to provide them by county, if possible.

In response to a question from the Committee as to whether there were any unresolved policy issues in the dental area, Ms. Kathy Gifford, Assistant Secretary for the Office of Medicaid Policy and Planning

¹Ms. Simpson's materials are on file in the Legislative Information Center, Room 230 of the State House, Indianapolis, Indiana, 46204. The telephone number of the Legislative Information Center is (317) 232-9856.

²Ms. Simpson's document is on file in the Legislative Information Center (see footnote 1).

(OMPP), stated that the second leading barrier to provider participation in the Medicaid Program has been the inclusion of dental services in the risk-based managed care (RBMC) contract. The Medicaid Advisory Committee is recommending that dental services be taken out of the RBMC contract. Ms. Gifford stated that this should happen no later than January 1999 when the new contracts come out.

Rep. Crawford stated that 47% of young Medicaid eligibles were receiving dental care a few years ago and this number has now dropped to less than 10%. He stated that he would like some measurable benchmarks established in order to closely monitor this rate. Sen. Simpson reiterated that the Committee needs better statistics from OMPP.

Asked as to how clients are informed about different Medicaid services, Ms. Gifford responded that when clients come in to sign-up for the Medicaid Program, they must choose a doctor. OMPP is looking at incorporating dentists into this process, as well as incorporating dental services into other educational and outreach efforts. Asked as to the possibility of using benefit advocates, Ms. Gifford stated that OMPP would need to examine the distribution of benefit advocates to determine whether this approach would work well. She also stated that the Children's Health Insurance Program (CHIP) panel is currently looking at improving client outreach and education. Ms. Gifford also stated that the state needs to be more aggressive in providing outreach and education.

Sen. Antich suggested that EDS should probably keep track of claims resubmissions, especially with respect to determining whether the same claims were being denied several times. Ms. Gifford responded that there is an insatiable demand for information from the providers and that more information requested or boxes on a claims submission form implies a need for more education of providers and the increased probability of errors. She stated that there needs to be a balance of information gathered and the cost and problems involved in getting the information.

Mr. Ed Popcheff, Indiana Dental Association

Mr. Ed Popcheff, Indiana Dental Association, stated that OMPP appears to now be much more receptive and aware of the problems faced by dental providers, although the problems are not over. Mr. Popcheff indicated that the focus now should be on outreach to providers and then should be on outreach to the patients. Mr. Popcheff also indicated that, for those providers who remained involved in the Medicaid Program and implemented electronic filing, the trust level in the program is improving. However, there is still some mistrust of the Medicaid Program from within the provider community. Mr. Popcheff also presented the Committee with a copy of the Indiana Dentist, the newsletter of the Indiana Dental Association.³

Case-Mix Reimbursement System Update

Ms. Judith Becherer, Office of Medicaid Policy and Planning (OMPP)

Ms. Judith Becherer, OMPP, described the current status of development and plans for implementation of the Case-Mix system for Medicaid nursing facility reimbursement. Ms. Becherer described the Case-mix Working Group as consisting of representatives of the State Department of Health, EDS, Myers and Stauffer, OMPP, and three nursing home associations. Ms. Becherer indicated that the Indiana Attorney General's office had no problems with the proposed case-mix rules as currently drafted.

Ms. Becherer indicated that the FSSA Committee will be presented with the proposed rules for the committee's adoption by July 14. Submission of the rules to the Attorney General should occur on July 15. By the end of July or the first week in August, the rules will be sent to the Governor's office for his signature. Implementation of the Case-Mix system is targeted for October 1, 1998.

Ms. Becherer reported that OMPP has minutes of the first two meetings of the Working Group from which was produced a summary document. OMPP prioritized the issues raised by the Working Group and provided them to the Group for their review.

³This document is on file in the Legislative Information Center (see footnote 1).

Ms. Becherer reported that there are some changes being proposed for the Case-Mix rule. (1) Rule 15: involves the MDS (Minimum Data Set) transmission and completion requirements. OMPP is currently working with all industry groups to define and inform exactly what the MDS audit process will be. The MDS audit is to ensure accuracy of data and information (for the Health Care Financing Administration and OMPP) and to ensure the integrity of the Case-Mix system. These requirements need to be incorporated into the Case-Mix rules. (2) Rule 14.6: It is OMPP's opinion that the current rule formulation is too harsh in terms of what the MDS audit would require of providers. The rule changes will prescribe what level of errors and problems should be sufficient for rate penalties. The notice of intent to change the rules is to be filed July 10, 1998, with submission of the rule by August 10.

Ms. Becherer reported that the Working Group will also provide recommendations by July 15 on how to revise the nursing facility cost report. OMPP and the industry are trying to anticipate changes in the Medicare Program and its effects on the industry in order to reduce problems in the future. OMPP is about to embark on a nine-location training effort regarding the case-mix system and the resulting changes. She also indicated that OMPP provided to the nursing facilities the estimated changes in reimbursement rates that will occur after implementation of Case-Mix. OMPP will do this one more time before implementation.

Mr. Vince McGowan, Indiana Health Care Association (IHCA)

Mr. Vince McGowan, Indiana Health Care Association, commented that the IHCA is extremely pleased with the collaboration between the nursing home industry and OMPP. He also expressed his gratitude to the Committee on the new working relationship between the industry and OMPP.

Area Agencies for the Aging (AAA's) Materials

Mr. Bob Hornyak, FSSA

Mr. Bob Hornyak, Assistant Director of the Office of Aging/IN-Home Services, FSSA, provided the Committee with a series of documents describing various aspects of the AAA's⁴. This information was provided in response to several questions from the Committee from the May 19 meeting. Mr. Hornyak briefly described staffing levels of the AAA's, number of clients served, the process by which vendors are selected and licensed, audit requirements of the AAA's, how AAA's are monitored at the local level and at the state level, and how bids are let for services. Mr. Hornyak also provided detailed audit reports for Area 13-A and Area 2 Area Agencies on Aging. The Committee requested additional information on the value of the AAA contracts including the services that the AAA's provide and the number of individuals receiving each service.

Mr. Dwayne Ettiene, President of the Indiana Association of Area Agencies on Aging

Mr. Dwayne Ettiene, President of the Indiana Association of Area Agencies on Aging, described his experience of 19 years with the AAA's. He stated that, since 1991, his AAA had administered \$58 million in public funds with less than \$500 returned for questionable use.

Mr. Lester Fox, President and CEO of Real Services, Inc.

Mr. Lester Fox, President and CEO of Real Services, Inc., told the Committee that his agency was designated a AAA in 1974 and that audits are submitted on an annual basis. Audits are presented to the Board of Directors for internal review. In addition, Mr. Fox stated that his AAA is audited by the State Board of Accounts, national contracting sources, and other private funding sources. His agency has an annual budget of \$15 million.

Sen. Miller explained that the Committee is more interested in the service part of performance than in the

⁴Mr. Hornyak's documents are on file in the Legislative Information Center (see footnote 1).

financial part except with respect to the administrative overhead relative to performance. Mr. Fox responded that the administrative portion of their annual budget represents about 3% or about \$400,000 out of a \$15 million budget.

Mr. John Cardwell, Chairman, Indiana Home Care Task Force

Mr. John Cardwell, Chairman, Indiana Home Care Task Force, provided three handouts⁵ to the Committee: (1) 1996 Annual Report of the Statewide IN-Home Services Program; (2) Excerpts from various reports concerning evaluations of Indiana CHOICE program; and (3) a written summary of his remarks.

Update on Viagra/Medicaid Issue

Ms. Kathy Gifford, Assistant Secretary for the Office of Medicaid Policy and Planning (OMPP)

Ms. Kathy Gifford, Assistant Secretary for OMPP, updated the Committee on the administration's action regarding Indiana's decision to not cover Viagra, an anti-impotency drug, under the Medicaid Program beginning July 1, 1998. OMPP deemed Viagra as effectively comparable to drugs that promote fertility which are not required to be covered by Medicaid under state and federal regulations. Ms. Gifford provided the Committee a copy of a press release dated June 24, 1998.⁶

For future meetings, Sen. Miller requested that the Committee continue to be updated from EDS regarding Medicaid claims processing and, specifically, dental claims. Sen. Miller also requested continual updates on the Case-Mix reimbursement system and some information on reimbursement of chiropractor services.

The next meeting of the Committee, originally scheduled for July 27, has been rescheduled for July 30 at 10:00 a.m. in Room 233 of the State House. There being no further business to conduct, the meeting was adjourned.

⁵Mr. Cardwell's documents are on file in the Legislative Information Center (see footnote 1).

⁶The press release is on file in the Legislative Information Center (see footnote 1).